Month-end financial close

Manual | 11 steps | 3 roles | Created Sep 2, 2026 | Updated Sep 2, 2026 | v1

How the finance team works a month-end close on a fixed working-day timeline, from cut-off to reported numbers.

TRIGGER

On the first working day after the period ends.

11 STEPS

1. **Accounts Assistant confirms all sub-ledgers are closed to new postings for the period.**

   Working day 1

   Close the gate first. Postings arriving mid-close are the main cause of reconciliations that balanced yesterday and do not today.

2. **Accounts Assistant posts all recurring journals: accruals, prepayments, depreciation, and payroll allocations.**

   Working day 1 to 2

   Keep a standing list of recurring journals with their basis of calculation. A journal nobody can explain is a finding waiting to happen.

3. **Accounts Assistant reconciles every bank account to the statement and documents any unreconciled items.**

   Working day 2

   Unreconciled items get named, aged, and owned. An unexplained difference carried forward silently compounds.

4. **Accounts Assistant reconciles the control accounts: receivables, payables, payroll, VAT or sales tax, and intercompany.**

   Working day 2 to 3

5. **Accounts Assistant checks whether every reconciliation agrees within the materiality threshold.**

   Set the threshold in advance and in writing. Deciding what counts as material while looking at the difference is how thresholds drift.

   All within threshold: Go to step 7: Accounts Assistant produces the draft management accounts and the variance analysis against budget.
   A difference exceeds the threshold: Go to step 6: Accounts Assistant investigates the difference, documents the cause and the correction, and refers anything unresolved to the Financial Controller.

6. **Accounts Assistant investigates the difference, documents the cause and the correction, and refers anything unresolved to the Financial Controller.**

Document the cause, not just the fix. The same difference recurring monthly means the underlying process is wrong, not the reconciliation.

Resolved: Go to step 7: Accounts Assistant produces the draft management accounts and the variance analysis against budget.
Unresolved at working day 4: Go to step 11: Financial Controller decides how to treat an item still unresolved at the deadline: accrue an estimate, disclose it, or delay the close.

7 **Accounts Assistant produces the draft management accounts and the variance analysis against budget.**

Working day 4

8 **Budget Owner reviews variances in their area and provides written explanations for anything beyond the reporting threshold.**

Working day 5

Written explanations, in the pack. A verbal explanation in a meeting is not available to whoever reads this in six months.

9 **Financial Controller reviews the full pack, the reconciliations, and the variance explanations, and records that review.**

Working day 5 to 6

The recorded review is the control. Someone other than the preparer has to look, and there has to be evidence they did.

Approved: Go to step 10: Financial Controller locks the period and distributes the final management accounts.
Queries raised: Go to step 7: Accounts Assistant produces the draft management accounts and the variance analysis against budget.

10 **Financial Controller locks the period and distributes the final management accounts.**

Working day 6

Locking matters. An open period invites a late adjustment that makes the distributed pack wrong.

11 **Financial Controller decides how to treat an item still unresolved at the deadline: accrue an estimate, disclose it, or delay the close.**

The decision needs an owner and a written rationale. Quietly carrying an unexplained balance is the worst of the three options.

Estimate accrued: Go to step 7: Accounts Assistant produces the draft management accounts and the variance analysis against budget.
Close delayed: Go to step 6: Accounts Assistant investigates the difference, documents the cause and the correction, and refers anything unresolved to the Financial Controller.

ROLES INVOLVED

Accounts Assistant | Financial Controller | Budget Owner

REVIEW CADENCE

Annually, and immediately after any change to your chart of accounts, finance system, or reporting deadline.

Name the person accountable for this procedure before you put it into use.

CHANGE THESE BEFORE YOU USE IT

- Set your own materiality threshold in step 5 and your reporting threshold in step 8, both in writing before you next run this.
- Replace the working-day timeline with yours. The sequence matters more than the specific days, but the days are what make it enforceable.
- List your actual recurring journals in step 2 and your actual control accounts in step 4. Generic versions of those steps are not followable.
- If you consolidate across entities or currencies, add the translation and elimination steps explicitly; they are the most commonly undocumented part of a group close.
- If you are audited, confirm the evidence your auditor expects for the step 9 review and make sure this procedure produces exactly that.

This is a free starting point from sendabrief.com, not compliance advice. It is written to be adapted.

Source: https://sendabrief.com/templates/month-end-close